
**Economic Development,
Agriculture & Trade Committee**

HB 3104

Brief Description: Imposing a fee on athletes of nonresident teams to replace state park user fees and fund football, baseball, and basketball facilities.

Sponsors: Representatives Strow, B. Sullivan, Ormsby and Simpson.

Brief Summary of Bill

- Requires nonresident professional athletes for a basketball, football or baseball team that is a member of a national league or association of significance to pay a fee to compete or otherwise perform a service for his or her nonresident professional team in a facility that is publicly owned or financed.
- Directs that the revenue generated by the fees be used to finance or maintain facilities in which professional athletic teams domiciled in Washington regularly play home games.
- Eliminates the general use and parking fee imposed by the State Parks and Recreation Commission in state parks and recreational facilities.

Hearing Date: 1/31/06

Staff: Tracey Taylor (786-7196).

Background:

Washington is home to five professional, national league teams: the Seattle Seahawks of the National Football League (NFL); the Seattle Mariners of Major League Baseball (MLB); the Seattle Supersonics of the National Basketball League (NBA); the Seattle Storm of the Women's National Basketball League (WNBA); and the Seattle Sounder Soccer Team of the United Soccer Leagues' (USL) First Division.

The Seattle Seahawks are the primary user of Qwest Field, hosting 10 to 12 NFL games per year. The Seattle Sounders also call Qwest Field home for 14 games per year. Completed in 2002, Qwest Field was built and financed through state and local funding, including sales taxes. Qwest Field is owned by the Washington State Public Stadium Authority.

The Seattle Mariners lease Safeco Field from the Washington State Major League Baseball Stadium Public Facilities District. Dedicated in 1999, Safeco Field was built and financed

through state and local funding, including sales taxes. The Seattle Mariners play approximately 80 home regular season games per year.

The Seattle Supersonics, along with the Seattle Storm, are the principal tenants of the KeyArena. Originally built as the Coliseum at the 1962's World's Fair, the KeyArena is owned by the City of Seattle and the Seattle Center is responsible for the financial management of the venue. The Seattle Supersonics play approximately 41 regular season games per year at the KeyArena while the Seattle Storm play approximately 17 regular season games per year at the KeyArena.

Summary of Bill:

The operator of a publicly financed facility must collect a fee from each member of a nonresident professional athletic team for each duty day that occurs in Washington. A professional athletic team must be domiciled outside of Washington and be a professional baseball, basketball or football team that is a member of a national league or association of significance. The fee amount for a member of a baseball team is \$750 per duty day. Members of a football or basketball team must pay \$3,500 per duty day. If a member of the nonresident professional athletic team is domiciled in a state that does not impose an income tax on its nonresident athletes, he or she is exempt for this fee.

The members of the nonresident professional athletic team must pay the fee if he or she is an employee who is an active player, a player on the disabled list or any other player required to travel and who does travel with and performs services on behalf of the nonresident professional athletic team on a regular basis. Persons other than players, including coaches, managers and trainers, are not considered members of a nonresident professional athletic team for the purposes of this act.

A duty day means any day during the year in which the professional athletic team competes or is scheduled to compete. A duty day does not include any day for which the player is not compensated and is not rendering services in any manner. This includes days when the player has been suspended without pay and is prohibited from performing services for the team. A duty day also excludes any day for which the member is on the disabled list.

The operator of the facility in which the nonresident professional athletic team competes must collect on the duty day the fee from each member of the team. The operator must file a return with the Department of Revenue on a monthly basis. The return must include the number of duty days for each player and remittance of the player's fee or fees for the month.

The fee revenues from a nonresident professional baseball player must be deposited in the Professional Baseball Facilities Account. The fee revenues from a nonresident football player must be deposited in the Professional Football Facilities Account. The fee revenues collected from a nonresident basketball player must be deposited into the Professional Basketball Facilities Account. The revenues in each of these accounts may only be used to finance and maintain facilities in which the professional athletic teams domiciled in Washington regularly play home games. The city or entity that owns the facility where the NBA or WNBA team competes regularly in Washington must enter into an agreement with the State Treasurer to provide payment to the state equal to the amount provided to the city due the imposition of the fee.

The county sales tax of .017 percent imposed to finance the construction of Safeco Field and the county sales tax of .016 percent to finance the construction of Qwest Field and retire the bonds on

the KingDome must be reduced as of January 1, 2007 to reflect the revenue to be generated by the collection of the fees imposed on the nonresident professional athletes.

The Day Use Fee Reduction Account is created in the State Treasury. An amount of sales and use tax revenue equal to the amount forecast to be generated by the imposition of the fees in 2007 shall be deposited in the account on an annual basis to support the State Parks and Recreation Commission. The account shall be used to offset the lost revenue due to the elimination of the general access or parking fee for the state parks and recreational facilities.

Appropriation: None.

Fiscal Note: Requested on January 24, 2006.

Effective Date: The bill takes effect on July 1, 2006.